

ARIZONA DEPARTMENT OF REVENUE

DATE: November 8, 1999

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

SEPTEMBER 1999 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>September 1999</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$187,662,977	\$462,344,248
Percent Change	1.9%	4.0%
Corporate Income Tax		
Net Collections	\$109,474,644	\$127,555,218
Percent Change	23.8%	10.1%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$218,193,083	\$675,061,783
Change	7.9%	8.6%
Total Big Three Tax Types		
Net Collections	\$515,330,704	\$1,264,961,249
Percent Change	10.5%	7.5%

TAX FACTS

September 1999

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	September 1999	September 1998	% Change
Gross Collections	\$73,625,331	\$67,940,219	8.4%
Withholding	\$159,552,145	\$147,295,695	8.3%
Refunds	(\$14,038,584)	(\$11,242,609)	24.9%
Urban Revenue Sharing	(\$31,475,916)	(\$28,359,221)	11.0%
Net Collections	\$187,662,977	\$175,634,083	6.8%

	Fiscal Year Total (99/00)	Fiscal Year Total (98/99)	% Change
Gross Collections	\$95,819,103	\$89,770,385	6.7%
Withholding	\$505,333,162	\$474,115,363	6.6%
Refunds	(\$44,380,269)	(\$38,937,500)	14.0%
Urban Revenue Sharing	(\$94,427,748)	(\$85,077,664)	11.0%
Net Collections	\$462,344,248	\$439,870,584	5.1%

Federal Retiree Program

The Federal Retiree Project is drawing to a close. Refunds sent out directly as a result of the Federal Retiree Program is \$2,022 for September and \$4,967 for the fiscal year. The total revised estimated cost of the FRP project is \$162.1 million. The estimate for the final credit payout for the remaining credit holders is \$0.151 million.

Federal Employees Retirement Contribution Program

The Federal Employees Retirement Contribution Project is also nearing completion. Refunds issued as a result of the FERC project totaled \$2,612 in September and \$7,150 for the fiscal year. In addition to this amount, \$0 of available credits were used to cover outstanding agency debts. The law firm of Bonn, Lusher, Padden & Wilkins has obtained a temporary restraining order requiring the department to withhold 20% of each claimants refund based on the law firm's claim that they should be entitled to fees from each claimant that benefited from their work. This amount is equal to \$825 for the month of September and \$1,959 for the fiscal year.

Individual Income Tax Document Count

In calendar year 1998, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	TOTAL
#	38,237	1,142,300	66,008	102,748	280	38,999	569,223	18,721	1,976,516
%	1.9	57.8	3.3	5.2	0.0	2.0	28.8	0.9	

In calendar year 1999 the number of returns filed, and processed, are as follows:

140X	140	140NR	140PY	140NP	141	140A	140PT	140EZ	TOTAL
------	-----	-------	-------	-------	-----	------	-------	-------	-------

	R					C				
#	34,987	1,257,841	60,400	101,419	59	35,087	333,547	17,206	162,171	2,002,717
%	1.7	62.8	3.0	5.1	0.0	1.8	16.7	0.9	8.1	

The 2,002,717 returns filed through September 1999 compares to 1,918,068 filed through September 1998, an annual increase of 4.4%. This count represents multiple tax years. For tax year 1998 filed in 1999, 1,921,752 returns have been filed, this represents a 3.7% increase from 1997 returns filed in 1998 during the same period of time.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made from taxpayers who have filed for both calendar years to be compared and who have indicated the same marital status on the tax returns for both years. The Department of Revenue has received 1,234,912 returns in calendar year 1999 for tax year 1998 from filers who also have returns on record from calendar year 1997 with the same marital status. On average, these filers experienced an 8.5% growth in FAGI and an 11.5% increase in tax liability. More specifically, 32.5% of these filers experienced a decrease in tax liability; on average a decrease of 21.0% with a corresponding average decrease in FAGI of 37.5%. Filers showing an increase in tax liability totaled 693,129, or 56.1%, with an average FAGI increase of 31.7% and an average tax liability increase of 58.1%.

Average Individual Income Tax Refund

	Average	Number
1999 YTD	\$520.80	1,288,092
1998 YTD	\$489.75	1,228,743
% Change	6.3%	4.8%

"New" Filers in Calendar Year 1999

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 1999 through the end of September. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 177,711 "new" returns have been filed thus far in 1999, representing approximately 219,985 persons, not including dependents. The average Federal Adjusted Gross Income for these 177,711 returns is \$19,372, with an average tax liability of \$311. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 22.4% had a married filing joint filing status, 9.4% claimed a 65 And Over Exemption and 41.1% claimed dependents.

Individual Income Tax Estimated Payments

Beginning in 1990, individuals are required to make estimated payments to Arizona if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Unfortunately, September's payment information is not currently available. However, the total estimated payments on the 140ES for tax year 1998 received through August was \$326.1 million, for an average of \$1,691. A total additional \$52.8 million in estimated payments was received as refunds on the 1997 tax returns applied to 1998 estimates, for an average of \$1,758. Estimated payments received through August for tax year 1999 is as follows:

8/99	140ES payment	\$1,775,258	Cumulative	\$110,796,334
8/98	140ES payment	\$4,557,193	Cumulative	\$107,145,576
	Percent change	(61.0%)		3.4%
8/99	Average payment	\$850	Cumulative	\$1,161
8/98	Average payment	\$910	Cumulative	\$1,206
	Percent change	(6.6%)		(3.7%)
8/99	applied refund	\$4,349,247	Cumulative	\$27,668,708
8/98	applied refund	\$5,650,926	Cumulative	\$26,745,838

	percent change	(23.0%)		3.5%
total 8/99		\$6,124,505	Cumulative	\$138,465,043
total 8/98		\$10,208,119	Cumulative	\$133,891,414
	percent change	(40.0%)		3.4%

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from April 1998 through June 1999, \$441,478,314 was received for the second quarter of 1998. The latest complete quarter (15 months of information has been compiled) is the third quarter of 1998, which shows a growth rate of 11.3% in withholding payments over the third quarter of 1997. Growth in quarters for which information is still being gathered is as follows:

4 th Quarter 1998	11.0%	2 nd Quarter 1999	9.9%
1 st Quarter 1999	6.5%	3 rd Quarter 1999	8.8%

The comparisons made above were against the same number of months of collections in the previous year. In other words, the eleventh month of information available for the fourth quarter of 1998 was compared against the eleventh month of collections for the fourth quarter of 1997. Current choices for withholding are 0%, 10%, 17%, 20%, 22%, 28% or 32% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit if you are age 65 or older or if you received Title 16, SSI payments. Additionally, your household income must be below \$3,751 if you live alone, or \$5,501 if you live with another person, to qualify for this credit. The maximum credit is \$502.

	Number	\$	Average
Calendar Year 1999	17,182	5,273,876	306.94
Calendar Year 1998	18,597	5,566,092	299.30
% Change	(7.6%)	(5.2%)	2.6%

Contributions on the Individual Income Tax Return

Through September 1999 individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	12,162	\$153,639	\$12.63
Child Abuse	13,496	\$189,055	\$14.01
Special Olympics	6,764	\$71,880	\$10.63
Neighbors Helping	4,529	\$40,679	\$8.98
AID to Education	338	\$38,355	\$113.49
Domestic Violence Shelter	10,511	\$142,745	\$13.58
Democratic Party	961	\$13,972	\$14.54
Republican Party	661	\$12,749	\$19.29
Libertarian Party	197	\$3,609	\$18.32
Reform Party	43	\$616	\$14.33

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	Sept 1999	Sept 1998	% Change
Gross Collections	\$113,150,180	\$91,869,498	23.2%
Refunds	(\$3,675,535)	(\$3,441,828)	6.8%

Net Collections	\$109,474,644	\$88,427,675	23.8%
------------------------	---------------	--------------	-------

	Fiscal Year Total (99/00)	Fiscal Year Total (98/99)	% Change
Gross Collections	\$146,511,294	\$126,165,326	16.1%
Refunds	(\$18,956,076)	(\$10,278,047)	84.4%
Net Collections	\$127,555,218	\$115,887,279	10.1%

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

Sept 1999	\$103,576,107	Calendar Year Total	\$392,205,734
Sept 1998	\$82,839,990	Calendar Year Total	\$346,207,485
% Change	25.0%	% Change	13.3%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for September 1999 and for the fiscal year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
Sept 1999	540	82	95	9	11	1	738	7.7
Sept 1998	512	62	89	14	8	0	685	
CY 1999	2,298	315	335	44	38	3	3,033	5.8
CY 1998	2,116	307	350	59	32	2	2,866	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 99/00 by corporate fiscal year. For example, in FY 98/99, 3.8% of the refund dollars paid were for corporate fiscal years ending in 1994 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	94 & Prior	95	96	97	98	99
FY 98/99	3.8%	2.1%	3.9%	66.5%	23.1%	0.6%

Corporate Fiscal Year-End:	95 & Prior	96	97	98	99	00
FY 99/00	7.3%	0.7%	3.1%	82.3%	6.5%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

Sep 1999	\$3,554,792	Calendar Year Total	\$38,746,640
Sep 1998	\$4,446,439	Calendar Year Total	\$38,570,039
% Change	(20.1%)	% Change	(0.5%)

Corporate Income Tax Document Count

The Arizona Department of Revenue received 91,679 corporate returns showing a fiscal year-end of 1997. The type of return received is indicated below:

	120X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)
#	464	51,681	39,178	356

%	0.5	56.4	42.7	0.4
---	-----	------	------	-----

Through September 1999, 77,402 documents have been received for a fiscal year-end of 1998, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)
#	245	41,227	35,639	291
%	0.3	53.3	46.0	0.4

The figures shown above for the 1998 returns are most meaningful when compared to 1997 returns received during the same period of time in the previous year. Through September 1998, the Arizona Department of Revenue received 73,784 documents with a fiscal year-end of 1997. This represents an increase of 4.9% in corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed is 15.8% of net income tax collections two years earlier. For example, the money being distributed in Fiscal Year 1999/2000 is based on net income tax collections in Fiscal Year 1997/1998. Amounts returned for September 1999 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many categories of tax. These categories include retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non shared. In contrast, contracting is 20% distribution base and 80% non shared. Mining severance is 80% distribution base and 20% non shared. Use tax is 100% non shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	September 1999	September 1998	% change
Distribution Base	\$88,333,796	\$83,840,834	5.4
Non shared	171,211,493	161,472,858	6.0
Use Tax	16,515,263	11,916,814	38.6
Other Revenues	34,176,202	25,191,038	35.7
Total Collections	\$310,236,754	\$282,421,542	9.8

	Fiscal Year Total (99/00)	Fiscal Year Total (98/99)	% change
Distribution Base	\$278,900,517	\$258,722,535	7.8
Non shared	535,156,618	496,341,211	7.8
Use Tax	43,712,376	35,830,337	22.0
Other Revenues	103,624,985	77,303,530	34.0
Total Collections	\$961,394,497	\$868,197,613	10.7

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund. All of the non shared portion and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non shared portion of transaction privilege and severance tax, use tax and 34.49% of the distribution base collections. "Other" revenues are returned to the administering authority.

	September 1999	September 1998	% change
Retained by State	\$218,193,083	\$202,306,374	7.9
Returned to Counties	35,784,021	33,963,922	5.4
Returned to Cities	22,083,449	20,960,208	5.4
Other	34,176,202	25,191,038	35.7
Total Collections	\$310,236,754	\$282,421,542	9.8

	Fiscal Year Total (99/00)	Fiscal Year Total (98/99)	% change
Retained by State	\$675,061,783	\$621,404,950	8.6
Returned to Counties	112,982,600	104,808,499	7.8
Returned to Cities	69,725,129	64,680,634	7.8
Other	103,624,985	77,303,530	34.0
Total Collections	\$961,394,497	\$868,197,613	10.7

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	September 1999	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	5%	\$217,535	(49.5)	\$517,571	(50.2)
Non-Metal Mining/Oil & Gas	3.125%	965,218	79.7	1,841,765	8.7
Utilities	5%	26,007,590	(2.1)	76,409,952	2.6
Communications	5%	9,586,520	15.0	28,899,303	14.3
Railroads/Aircraft	5%	123,938	(15.6)	351,972	(28.4)
Private Car/Pipelines	5%	54,968	74.5	(28,271)	N/A
Publishing	5%	483,460	8.3	1,387,936	(8.0)
Printing	5%	1,689,311	(2.1)	5,142,248	1.4
Restaurants/Bars	5%	21,436,022	6.3	66,988,588	7.7
Amusements	5%	2,102,048	2.0	8,768,365	20.6
Commercial Lease	0%	30,218	(98.5)	203,445	(91.0)
Rental of Personal Property	5%	12,860,927	4.1	40,137,784	1.5
Contracting	3.75% - 5%	43,942,957	9.0	137,352,829	8.0
Feed Wholesale	Repealed	74	(50.4)	37	(92.4)
Retail	5%	133,817,432	8.6	423,875,477	10.3
Advertising	0	0	0.0	0	0.0
Mining Severance	2.5%	1,436,538	(4.6)	4,454,923	(13.0)
Timber Severance	\$2.13/\$1.51 per 1000 board ft	648	(37.4)	2,988	(59.4)
Hotel/Motel	5.5%	4,550,051	(10.7)	16,859,756	3.8
Membership Camping	5%	(210)	N/A	7,390	9.1
Use/Use Inventory	5%	16,515,263	38.6	43,712,892	21.9
Rental Occupancy Tax	3%	(4,629)	N/A	9,250	(54.6)
Jet Fuel Tax	\$.0305/\$.0105 gal	271,655	(5.2)	883,094	7.3
Telecommunications Devices:	1.1				
Telecom. Fund for the	----	471,733	(1.3)	1,229,760	(4.3)
Deaf					
Poison Control Fund	----	154,504	(1.3)	454,843	(4.3)
911 Excise	1.25%	650,148	N/A	1,920,413	(4.1)

911 Wireless Service	\$0.10 monthly per activated service	119,903	35.4	441,946	70.0
Total		\$277,483,822	7.3	\$857,779,297	8.4

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	September 1999	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	4,350,707	(49.5)	\$10,351,427	(50.2)
Non-Metal Mining/Oil & Gas	30,886,983	79.7	58,936,493	8.7
Utilities	520,151,801	(2.1)	1,528,199,041	2.6
Communications	191,730,409	15.0	577,986,061	14.3
Railroads/Aircraft	2,478,763	(15.6)	7,039,450	(28.4)
Private Car/Pipelines	1,099,363	74.5	(565,425)	N/A
Publishing	9,669,192	8.3	27,758,723	(8.0)
Printing	33,786,216	(2.1)	102,844,967	1.4
Restaurants/Bars	428,720,442	6.3	1,339,771,768	7.7
Amusements	42,040,970	2.0	175,367,305	20.6
Commercial Lease	2,567,453	(93.7)	13,243,510	(72.8)
Rental of Personal Property	257,218,532	4.1	802,755,681	1.5
Contracting	878,859,631	8.9	2,747,058,078	8.0
Feed Wholesale	15,684	(50.4)	7,972	(92.4)
Retail	2,676,349,044	8.6	8,477,513,238	10.3
Advertising	0	0.0	0	0.0
Mining Severance	57,461,517	(4.6)	178,196,935	(13.0)
Timber Severance	0	0.0	0	0.0
Hotel/Motel	82,728,193	(10.7)	306,541,018	3.8
Membership Camping	(4,206)	N/A	147,790	9.1
Use/Use Inventory	329,585,280	38.5	871,096,668	21.6
Rental Occupancy Tax	(154,302)	N/A	308,344	(54.6)
Total	\$5,549,541,672	7.5	\$17,224,559,046	8.4

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In September 1999, 10,087,043 gallons of jet fuel were taxed, a 7.6% increase from the 10,011,324 reported for September 1998. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in September 1999 was \$1,156,107 a 15.2% increase from the \$1,003,796 claimed in September 1998. Accounting credits claimed-to-date in FY 99/00 equals \$3,655,803 a 14.0% increase from the \$3,208,001 claimed during the same period in FY 98/99.

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Smitty's might be considered both a grocery store or a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales which do not have a primary retail SIC code.

<u>SIC Code Range</u>	<u>Description</u>	<u>September 1999</u>	<u>September 1998</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$142,420,554	\$126,660,738	12.4%
5311-5399	general merchandise stores	\$232,901,575	\$262,041,957	(11.1%)
5411-5499	food stores (no food sales)	\$220,555,268	\$206,382,904	6.9%
5511-5521	motor vehicle dealers	\$531,229,755	\$433,185,057	22.6%
5531-5599	misc. automotive, motorcycle & boat stores	\$146,071,224	\$135,902,461	7.5%
5611-5699	apparel & accessory stores	\$161,105,717	\$148,329,941	8.6%
5712-5733	furniture, home furnishings & equipment stores	\$157,402,166	\$136,421,820	15.4%
5912-5949	misc. retail stores	\$175,592,758	\$170,464,962	3.0%
	TOTAL	\$2,676,348,644	\$2,463,652,369	8.6%

<u>SIC Code Range</u>	<u>Description</u>	<u>FY 2000</u>	<u>FY 1999</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$480,652,027	\$435,986,971	10.2%
5311-5399	general merchandise stores	\$805,916,158	\$789,755,186	2.0%
5411-5499	food stores (no food sales)	\$684,363,167	\$644,000,205	6.3%
5511-5521	motor vehicle dealers	\$1,583,451,997	\$1,327,947,698	19.2%
5531-5599	misc. automotive, motorcycle & boat stores	\$469,542,725	\$435,600,286	7.8%
5611-5699	apparel & accessory stores	\$491,186,967	\$449,129,893	9.4%
5712-5733	furniture, home furnishings & equipment stores	\$472,331,176	\$414,513,739	13.9%
5912-5949	misc. retail stores	\$558,092,155	\$522,474,411	6.8%
	TOTAL	\$8,477,509,538	\$7,689,131,831	10.3%

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for August 1999 is shown in the County Share column.

	Dist. Base Collections	County Share	% of Total	FYTD County Share	% Chg
Apache	\$202,366	\$294,884	0.8	\$935,530	7.7
Cochise	1,277,641	698,933	2.0	2,175,344	9.3
Coconino	2,893,535	1,137,360	3.2	3,586,182	5.4
Gila	733,373	334,661	0.9	1,021,657	(0.3)
Graham	329,906	183,884	0.5	575,111	3.4
Greenlee	574,784	249,786	0.7	803,999	(6.0)
La Paz	205,216	110,941	0.3	350,546	3.6
Maricopa	58,590,613	22,339,721	62.4	70,720,401	8.4
Mohave	2,013,566	993,478	2.8	3,142,130	6.2
Navajo	1,499,388	626,530	1.8	1,952,997	7.3
Pima	13,372,917	5,659,686	15.8	17,866,253	7.4
Pinal	1,695,884	889,052	2.5	2,781,913	5.3
Santa Cruz	497,366	234,759	0.7	736,024	6.9
Yavapai	2,742,591	1,211,232	3.4	3,770,848	9.7
Yuma	1,704,649	819,112	2.3	2,563,664	9.3
Total	\$88,333,796	\$35,784,021		\$112,982,600	7.8

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for September 1999 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during September 1999 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in November, 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax
Apache		\$60,382					
Cochise		\$385,523					
Coconino		\$848,662	\$505,536				
Gila	\$217,712	\$211,337					
Graham		\$99,231					
Greenlee		\$33,662					
La Paz		\$58,008	\$58,006				
Maricopa	\$19,223,347		\$6,980,769	\$379,098	\$39,288		
Navajo		\$424,116					
Pima				\$109,008		\$10,968	
Pinal	\$546,037	\$519,740					
Santa Cruz		\$140,281					
Yavapai		\$778,046					
Yuma		\$509,497	\$508,800				

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in September 1999. The table compares the receipts to September 1998 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	September 1999	September 1998	% Change
Spirituos	\$861,138	\$1,193,022	(27.8%)
Vinous	\$269,335	\$388,156	(30.6%)
Malt	\$1,607,228	\$1,612,292	(0.3%)
Cigarette	\$14,347,134	\$13,210,841	8.6%
Other Tobacco	\$252,813	\$264,166	(4.3%)
Tobacco	\$425	\$200	112.5%
Licenses			
Total	\$17,338,073	\$16,668,677	4.0%

	Fiscal Year Total (99/00)	Fiscal Year Total (98/99)	% Change
Spirituos	\$3,647,882	\$4,112,996	(11.3%)
Vinous	\$1,340,900	\$1,521,904	(11.9%)
Malt	\$5,272,145	\$5,143,488	2.5%
Cigarette*	\$39,535,721	\$40,426,942	(2.2%)
Other Tobacco	\$932,190	\$869,886	7.2%
Tobacco	\$6,000	\$5,150	16.5%
Licenses			
Total	\$50,734,837	\$52,080,366	(2.6%)

*In July, 1999, \$380,000 of Cigarette and Tobacco tax collections was allocated for administrative expenses and is not reflected in fiscal year collections.

General Fund revenues from luxury taxes:

	September 1999	FY (99/00)
Spirituos	\$602,797	\$2,553,517
Vinous	\$67,101	\$334,524
Malt	\$401,807	\$1,318,036
Cigarette	\$3,685,333	\$10,628,163
Other Tobacco	\$39,186	\$144,489
Tobacco	\$425	\$6,000
Licenses		
Total	\$4,796,649	\$14,984,729

Other dedicated revenues from luxury taxes:

	August 1999	FY (99/00)
Correction Fund revenues	\$1,609,897	\$5,507,705
Health Care Fund revenues	\$10,375,576	\$28,222,250
Wine Promotional Fund revenues	\$930	\$2,805

Drug Treatment & Education Fund revenues	\$397,894	\$1,445,195
Corrections Revolving Fund revenues	\$157,129	\$572,153

Estate Tax

	September 1999	\$9,956,339	Fiscal year To Date	\$18,159,082
	September 1998	<u>\$5,535,606</u>	Fiscal year To Date	<u>\$14,988,364</u>
% Change		79.9%	% Change	21.2%

Private Car

	September 1999	\$0	Fiscal year To Date	\$56
	September 1998	<u>\$0</u>	Fiscal year To Date	<u>\$0</u>
% Change		0.0%	% Change	N/A

Bingo

	September 1999	\$34,257	Fiscal year To Date	\$152,503
	September 1998	<u>\$33,669</u>	Fiscal year To Date	<u>\$166,552</u>
% Change		1.7%	% Change	(8.4%)

Unclaimed Property

	September 1999	(\$127,270)	Fiscal year To Date	1,983,037
	September 1998	<u>\$5,208</u>	Fiscal year To Date	<u>\$164,175</u>
% Change		N/A	% Change	1,107.9%

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

Table 1

"NEW" RETURNS FILED IN 1999 FOR TAX YEAR 1998

Federal Adjusted Gross Income Bracket	Number of Returns	% of total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	1,034	0.6%	-\$30,153	\$2	25.1%	64.5%	5.2%	5.1%	16.9%	16.3%
\$0-\$5,000	35,605	20.0%	\$2,724	\$4	4.8%	78.7%	14.7%	1.8%	4.0%	19.9%
\$5,000-\$10,000	40,952	23.0%	\$7,466	\$26	9.1%	60.6%	28.0%	2.4%	7.2%	36.9%
\$10,000-\$15,000	28,376	16.0%	\$12,397	\$68	19.5%	38.4%	38.8%	3.3%	11.2%	53.3%
\$15,000-\$20,000	20,146	11.3%	\$17,311	\$140	28.3%	31.8%	35.7%	4.2%	12.4%	54.7%
\$20,000-\$25,000	12,883	7.2%	\$22,327	\$263	31.4%	33.4%	30.0%	5.2%	9.9%	53.0%
\$25,000-\$30,000	9,050	5.1%	\$27,366	\$412	33.4%	39.0%	22.4%	5.2%	9.3%	46.4%
\$30,000-\$40,000	11,084	6.2%	\$34,499	\$589	40.7%	37.0%	17.6%	4.7%	10.5%	44.8%
\$40,000-\$50,000	6,373	3.6%	\$44,605	\$830	50.3%	31.8%	14.6%	3.3%	13.3%	46.9%
\$50,000-\$75,000	7,399	4.2%	\$60,109	\$1,223	61.9%	25.7%	10.1%	2.3%	16.3%	45.6%
\$75,000-\$100,000	2,472	1.4%	\$85,242	\$1,924	68.8%	21.7%	7.4%	2.1%	20.3%	45.1%
\$100,000-\$200,000	1,844	1.0%	\$129,970	\$3,445	69.5%	21.5%	7.3%	1.7%	25.4%	43.6%
\$200,000-\$500,000	383	0.2%	\$288,579	\$9,569	60.3%	29.0%	6.9%	3.8%	27.0%	34.9%
\$500,000-\$1,000,000	64	0.0%	\$680,551	\$25,465	64.2%	28.4%	4.5%	3.0%	29.9%	31.3%
\$1,000,000 and over	46	0.0%	\$2,593,413	\$107,098	50.0%	30.4%	6.5%	13.0%	13.0%	19.6%
Total	177,711		\$19,372	\$311	22.4%	49.3%	25.2%	3.2%	9.4%	41.1%

An asterisked line indicates that the information cannot be released due to confidentiality laws.

NEW RETURNS FILED IN 1998 FOR TAX YEAR 1997*

Total	218,569	\$17,161	\$280	19.7%	58.9%	18.4%	3.1%	8.0%	31.7%
--------------	----------------	-----------------	--------------	--------------	--------------	--------------	-------------	-------------	--------------

"NEW" Returns means that there was no return filed by the taxpayer in the previous filing year.

This may or may not mean the filer is new to the State.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
September 1999

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,552,794	168,176
Eagar	\$41,688	4,515	Surprise	99,136	10,737
Springerville	17,728	1,920	Tempe	1,420,252	153,821
St. Johns	31,023	3,360	Tolleson	40,958	4,436
<u>Cochise County</u>			Wickenburg	43,996	4,765
Benson	\$37,994	4,115	Youngtown	24,874	2,694
Bisbee	60,015	6,500	<u>Mohave County</u>		
Douglas	136,466	14,780	Bullhead City	\$248,741	26,940
Huachuca City	17,912	1,940	Colorado City	29,454	3,190
Sierra Vista	349,152	37,815	Kingman	154,831	16,769
Tombstone	12,973	1,405	Lake Havasu City	335,025	36,285
Willcox	32,621	3,533	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	\$46,812	5,070
Flagstaff	\$503,022	54,480	Pinetop-Lakeside	30,479	3,301
Fredonia	11,541	1,250	Show Low	64,521	6,988
Page	73,404	7,950	Snowflake	38,041	4,120
Williams	24,837	2,690	Taylor	24,514	2,655
<u>Gila County</u>			Winslow	99,533	10,780
Globe	\$65,168	7,058	<u>Pima County</u>		
Hayden	8,402	910	Marana	\$56,451	6,114
Miami	18,836	2,040	Oro Valley	181,496	19,657
Payson	101,602	11,004	Sahuarita	21,338	2,311
Winkelman	6,242	676	South Tucson	50,339	5,452
<u>Graham County</u>			Tucson	4,100,792	444,138
Pima	\$17,081	1,850	<u>Pinal County</u>		
Safford	81,002	8,773	Apache Junction	\$180,277	19,525
Thatcher	36,536	3,957	Casa Grande	192,788	20,880
<u>Greenlee County</u>			Coolidge	65,140	7,055
Clifton	\$27,653	2,995	Eloy	82,314	8,915
Duncan	6,786	735	Florence	105,166	11,390
<u>La Paz County</u>			Kearny	22,667	2,455
Parker	\$27,238	2,950	Mammoth	18,097	1,960
Quartzsite	18,512	2,005	Superior	32,178	3,485
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	\$210,248	22,771	Nogales	\$190,711	20,655
Buckeye	44,845	4,857	Patagonia	8,725	945
Carefree	21,107	2,286	<u>Yavapai County</u>		
Cave Creek	28,401	3,076	Camp Verde	\$68,925	7,465
Chandler	1,222,100	132,360	Chino Valley	57,966	6,278
El Mirage	53,008	5,741	Clarkdale	24,006	2,600
Fountain Hills	130,612	14,146	Cottonwood	60,431	6,545
Gila Bend	16,130	1,747	Jerome	4,247	460
Gilbert	547,877	59,338	Prescott	287,022	31,086
Glendale	1,686,112	182,615	Prescott Valley	148,127	16,043
Goodyear	85,407	9,250	Sedona	82,120	8,894
Guadalupe	50,395	5,458	<u>Yuma County</u>		
Litchfield Park	34,523	3,739	San Luis	\$74,105	8,026

Mesa	3,121,885	338,117	Somerton	53,774	5,824
Paradise Valley	114,934	12,448	Wellton	10,397	1,126
Peoria	688,470	74,565	Yuma	579,768	62,792
Phoenix	10,612,738	1,149,417			
Queen Creek	28,364	3,072	TOTAL	\$31,475,916	3,409,012

TABLE 3

Transaction Privilege and Severance Tax Returned to Cities/Towns

September 1999

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Queen Creek	\$19,900	3,072
Eagar	\$29,248	4,515	Scottsdale	1,089,438	168,176
Springerville	12,438	1,920	Surprise	69,554	10,737
St. Johns	21,766	3,360	Tempe	996,447	153,821
<u>Cochise County</u>			Tolleson	28,736	4,436
Benson	\$26,657	4,115	Wickenburg	30,867	4,765
Bisbee	42,107	6,500	Youngtown	17,452	2,694
Douglas	95,744	14,780	<u>Mohave County</u>		
Huachuca City	12,567	1,940	Bullhead City	\$174,516	26,940
Sierra Vista	244,964	37,815	Colorado City	20,665	3,190
Tombstone	9,102	1,405	Kingman	108,629	16,769
Willcox	22,887	3,533	Lake Havasu City	235,053	36,285
<u>Coconino County</u>			<u>Navajo County</u>		
Flagstaff	\$352,919	54,480	Holbrook	\$32,843	5,070
Fredonia	8,097	1,250	Pinetop/Lakeside	21,384	3,301
Page	51,500	7,950	Show Low	45,268	6,988
Williams	17,426	2,690	Snowflake	26,689	4,120
<u>Gila County</u>			Taylor	17,199	2,655
Globe	\$45,721	7,058	Winslow	69,832	10,780
Hayden	5,895	910	<u>Pima County</u>		
Miami	13,215	2,040	Marana	\$39,606	6,114
Payson	71,283	11,004	Oro Valley	127,337	19,657
Winkelman	4,379	676	Sahuarita	14,971	2,311
<u>Graham County</u>			South Tucson	35,318	5,452
Pima	\$11,984	1,850	Tucson	2,877,109	444,138
Safford	56,831	8,773	<u>Pinal County</u>		
Thatcher	25,633	3,957	Apache Junction	\$126,482	19,525
<u>Greenlee County</u>			Casa Grande	135,260	20,880
Clifton	\$19,401	2,995	Coolidge	45,702	7,055
Duncan	4,761	735	Eloy	57,751	8,915
<u>La Paz County</u>			Florence	73,784	11,390
Parker	\$19,110	2,950	Kearny	15,903	2,455
Quartzsite	12,988	2,005	Mammoth	12,697	1,960
<u>Maricopa County</u>			Superior	22,576	3,485
Avondale	\$147,510	22,771	<u>Santa Cruz County</u>		
Buckeye	31,463	4,857	Nogales	\$133,802	20,655
Carefree	14,809	2,286	Patagonia	6,122	945
Cave Creek	19,926	3,076	<u>Yavapai County</u>		
Chandler	857,423	132,360	Camp Verde	\$48,358	7,465
El Mirage	37,190	5,741	Chino Valley	40,669	6,278
Fountain Hills	91,637	14,146	Clarkdale	16,843	2,600
Gila Bend	11,317	1,747	Cottonwood	42,398	6,545
Gilbert	384,389	59,338	Jerome	2,980	460
Glendale	1,182,973	182,615	Prescott	201,374	31,086
Goodyear	59,921	9,250	Prescott Valley	103,926	16,043
Guadalupe	35,357	5,458	Sedona	57,615	8,894

Litchfield Park	24,221	3,739	<u>Yuma County</u>		
Mesa	2,190,309	338,117	San Luis	\$51,992	8,026
Paradise Valley	80,638	12,448	Somerton	37,728	5,824
Peoria	483,029	74,565	Wellton	7,294	1,126
Phoenix	7,445,879	1,149,417	Yuma	406,764	62,792
			TOTAL	\$22,083,449	3,409,012

*The Office of Economic Research & Analysis
Arizona Department of Revenue
1600 W. Monroe
Phoenix, AZ 85007*